

SENATE RECORD VOTE ANALYSIS

105th Congress
2nd Session

Vote No. 200

July 15, 1998, 2:01 p.m.
Page S-8183 Temp. Record

AGRICULTURE APPROPRIATIONS/Marketing Assistance Loans

SUBJECT: Agriculture, Rural Development, and Related Agencies Appropriations Bill for fiscal year 1999 . . . S. 2159.
Cochran motion to table the Daschle amendment No. 3146.

ACTION: MOTION TO TABLE AGREED TO, 56-43

SYNOPSIS: As reported, S. 2159, the Agriculture, Rural Development, and Related Agencies Appropriations Bill for fiscal year 1999, will provide \$56.813 billion in new budget authority, which is \$7.060 billion more than provided last year. The increase is primarily due to increased Commodity Credit Corporation mandatory payments.

The Daschle amendment would give the Agriculture Department the authority in fiscal year 1999 to extend the term of any marketing assistance loan for up to 6 months and to lift the caps on the loan rates. Funds would be made available for that purpose only to the extent that they were requested as emergency funds by the President, which would allow total Federal spending to increase without providing any offsets. Under current law, marketing assistance loans can be given for up to 9 months. The Federal Government will loan a farmer 85 percent of the 5-year average price of a crop for up to 9 months. The result of the amendment would be to increase Federal borrowing and spending to pay for longer marketing assistance loans at higher rates for various crops.

Debate was limited by unanimous consent. After debate, Senator Cochran moved to table the Daschle amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

The Daschle amendment would take a huge and destructive step backwards for farmers in America. It would push the United States back to the old command-and-control marketing system that it followed for 50 years, before the passage of the Freedom to Farm Bill three years ago. The price supports that exist now are low to make certain that they are used as a short-term marketing tool rather than as an alternative market. Loan rates should not be set high enough to influence farmer's planting decisions, and they

(See other side)

YEAS (56)			NAYS (43)		NOT VOTING (1)	
Republicans (55 or 100%)	Democrats (1 or 2%)		Republicans (0 or 0%)	Democrats (43 or 98%)	Republicans (0)	Democrats (1)
Abraham	Hutchinson	Feingold	Akaka	Kennedy		Glenn ²
Allard	Hutchison		Baucus	Kerrey		
Ashcroft	Inhofe		Biden	Kerry		
Bennett	Jeffords		Bingaman	Kohl		
Bond	Kempthorne		Boxer	Landrieu		
Brownback	Kyl		Breaux	Lautenberg		
Burns	Lott		Bryan	Leahy		
Campbell	Lugar		Bumpers	Levin		
Chafee	Mack		Byrd	Lieberman		
Coats	McCain		Cleland	Mikulski		
Cochran	McConnell		Conrad	Moseley-Braun		
Collins	Murkowski		Daschle	Moynihan		
Coverdell	Nickles		Dodd	Murray		
Craig	Roberts		Dorgan	Reed		
D'Amato	Roth		Durbin	Reid		
DeWine	Santorum		Feinstein	Robb		
Domenici	Sessions		Ford	Rockefeller		
Enzi	Shelby		Graham	Sarbanes		
Faircloth	Smith, Bob		Harkin	Torricelli		
Frist	Smith, Gordon		Hollings	Wellstone		
Gorton	Snowe		Inouye	Wyden		
Gramm	Specter		Johnson			
Grams	Stevens					
Grassley	Thomas					
Gregg	Thompson					
Hagel	Thurmond					
Hatch	Warner					
Helms						

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

should not tie up grain in storage for such a long period of time that market signals are distorted. In 1995 and 1996, the Department of Agriculture guessed wrong on crop yields and required farmers to set aside acreage. When crop yields were lower than expected, prices rose. We are now in a more normal planting situation. Prices are roughly the 1990-1994 average for wheat, corn, and soybeans. The USDA is projecting that farmers, this year, will receive an average of between \$2.70 and \$3.10 per bushel for the 1998 crop of wheat. Under the Daschle amendment, farmers would be able to get loans at 85 percent of the 5 year average for their wheat crops, dropping the highest and lowest year prices. This year, that loan amount would be equal to \$3.16 per bushel. If they did not repay their loans, the Government would keep the grain they put up as collateral. Obviously, farmers would prefer to just use these loans to sell their grain, in effect, to the Government. When the Government started getting large stockpiles of grain, pressure would inevitably build in Congress to get farmers to quit planting as much wheat so the price would rise and the Government would be able to unload its stockpile of grain at a favorable rate.

Farmers, including in North Dakota, are not calling for a return to this type of government program. Under the old program we had a "safety net" for 50 years, during which time the number of farmers in America fell from more than 7 million to just 2 million. We had stable prices at low levels with rising production costs, which was not exactly a prescription for profitability. We have met with the presidents of each of the 50 State farm bureaus, and they are pushing for bigger markets and more freedom. They definitely are not asking for a return to the market interference of the type advocated by the Daschle amendment. Jim Harmon, the president of the North Dakota Farm Bureau, agrees that the problems his State is having are not due to the Freedom to Farm bill. He has called for greater access to world markets, increased export promotion, reform of regulations on wetlands and pesticides, and meaningful risk management tools to reduce the effects of natural disasters. We wholly agree with those reforms.

Today's low prices are not caused by the farm bill. They partially reflect large world grain supplies, which are a direct result of the high prices of 1995 and 1996, which in turn were partially caused by market distortions from Department of Agriculture set-asides. When the prices went up, agricultural exporting countries rushed more land into production to take advantage of the booming market. Today's low prices are also largely being caused by the profound crises in the economies of many Asian nations. If it were not for those crises, the Department of Agriculture estimates that 1998 exports would exceed the 1996 record of \$60 billion. As it is, they will be at \$56 billion.

Farmers in America, particularly in the Northern Plains, definitely need assistance, but they definitely do not need the type of aid offered by the Daschle amendment. This amendment would move in the wrong direction. We strongly urge its rejection.

Those opposing the motion to table contended:

We are not attempting to reopen the Freedom to Farm Bill with this amendment. We have had that debate already. Many of us opposed that bill, but we did not prevail. With this amendment, all we are asking for is a temporary restoration of the safety net, which will help small farmers. Prices for crops are very low right now. Giant corporate farms are hurt by those low prices, but they can afford to lose money for a year or even longer, and then make money in the ensuing years. They also are much better able to hold onto their crops when prices dip and sell them when prices rise. Many small family farms do not have that luxury. If they lose too much in a year they go bankrupt, and they cannot afford to wait around for good prices. All across the Dakotas and in Minnesota small farms are going broke at an alarming rate due to the present low commodity prices. Under the old farm system, they had a safety net, but now the amount they can get under that safety net is capped. They can no longer get loans at 85 percent of the average 5-year value for their crops, so they can no longer hold on to those crops until prices rise. Given the current disastrous situation, the Daschle amendment would give emergency, 1-year relief. Farmers would be allowed to get marketing assistance loans without a cap, and they would be allowed to get them for 15-month terms instead of 9-month terms. This amendment would provide desperately needed relief without reopening the farm bill debate. We urge our colleagues to accept this amendment.